GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:56
ANSWERED ON:06.02.2017
Prices of Petroleum Products
Gaikwad Dr. Sunil Baliram;Puttaraju Shri C.S.

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of increase/decrease in the price of crude oil in international market during the last two years and the current year and the number of times the price of petroleum products came down/reduced in both domestic and the international market during the said period;

(b) the measures adopted/being adopted by the Government to pass on the benefits of low crude oil prices to the consumers, year-wise;

(c) the details of the mechanism adopted by the Government to examine the prices of petrol and diesel fixed by various petroleum companies including private companies in conformity with the variation in the international crude oil prices;

(d) the number of times the prices of petroleum products including petrol, diesel, LPG, CNG, PNG and kerosene increased/ decreased during the said period along with reasons for hike in the prices despite significant reduction of prices of crude oil in the international market, product-wise; and

(e) the corrective measures taken/being taken by the Government to control production, import and export of various petroleum products in order to check their prices in the country?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM AND NATURAL GAS
(SHRI DHARMENDRA PRADHAN)Â¬Â¬Â¬Â¬Â¬

(a) to (e): A statement is laid on the table of the House.

Statement referred to in reply to parts (a) to (e) of the Lok Sabha Starred Question No. 56 asked by Dr. Sunil Baliram Gaikwad and Shri C.S. Putta Raju to be answered on 6th February, 2017 regarding "Prices of Petroleum Products".

(a): The details of monthly average price of Indian basket of crude oil, Petrol, Diesel, Kerosene and LPG in the international market during the last two years and the current year are given in Annexure I.

(b) to (d): Prices of Petrol and Diesel have been made market determined by the Government effective 26th June, 2010 and 19th October, 2014 respectively. Since then, the prices of Petrol and Diesel are being revised by Public Sector Oil Marketing Companies (OMCs) in line with the changes in their international prices and other market conditions. The element of excise duty which is specific in nature has been increased since November, 2014. Most of the State Governments have also increased VAT on Petrol and Diesel. After taking into account these factors, Public Sector OMCs have passed on major portion of the decrease in price to the consumers of Petrol and Diesel. Private oil companies decide the prices of Petrol and Diesel being sold from the Retail outlets run by them. The Government continues to modulate the effective price to consumer for Subsidized Domestic LPG and Retail Selling Price (RSP) of PDS Kerosene.

The number of times basic prices of Petrol, Diesel, LPG and Kerosene are revised during the last two years and current year are given below:

Increase/decrease in basic prices Petrol Diesel LPG PDS Kerosene
Subsidized Non -Subsidized
Increase 23 24 07 13 13
Decrease 31 27 - 19 -

Further, the maximum retail price of Compressed Natural Gas (CNG) is fixed by the concerned City Gas Distributions (CGD) entity as provided under the Petroleum and Natural Gas Regulatory Board (PNGRB) Act, 2006. The prices of CNG vary from city to city depending upon the basic cost of Natural Gas, transportation cost and local taxes and levies.

(e): Petroleum product, except PDS Kerosene and Subsidized Domestic LPG, are deregulated products and their prices are market determined. Further, the refining capacity is not only sufficient for domestic consumption (except LPG) but also leaves surplus for export of petroleum products. Since, 2001-02, India is a net exporter of petroleum products.

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